

**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**Environmental Assessment**

*Permitting and Compliance Division*  
*Water Protection Bureau*

**Name of Project:** Wolf Mountain Coal Inc. **Type of Project:** Coal Processing Facility

**Location of Project:** 11 miles north of Decker MT on Montana Secondary Highway 314

**City/Town:** Decker

**County:** Bighorn

**Description of Project:**

Wolf Mountain Coal, Inc. (WMC) has applied to the Department of Environmental Quality (DEQ) for a Montana Pollutant Discharge Elimination System (MPDES) discharge permit from its coal processing facility. The proposed facility will process coal, procured from the contiguous Spring Creek Coal (SCC) mine. Processed coal will be stockpiled by size fraction and sold as stoker coal in the local area. Effluent from the facility will be comprised of process equipment wash down water and storm water runoff. The proposed facility will treat its effluent via a sedimentation pond, with occasional discharges reporting to an ephemeral tributary of the South Fork of Monument Creek

**Agency Action and Applicable Regulations:** Pursuant to §75-5-400 *et. seq.* MCA, of the Montana Water Quality Act and title 17, chapter 30, subchapters 12 and 13, of the Annotated Rules of Montana, the Department has drafted a permit for surface water discharges from the Wolf Mountain Coal Inc. facility. The draft permit and companion statement of basis (SOB) have analyzed potential impacts to the environment due to discharges from the facility. Analysis conducted in the SOB concluded the discharge will not cause or contribute to exceedances of water quality standards nor will it impaired beneficial uses.

The facility has applied for and has received permits from the Department's, air resources management bureau (ARMB) and the industrial and energy minerals bureau (IEMB). This EA incorporates the checklist EA conducted by the IEMB for issuance of their surface mining permit.

**Summary of Issues:** No unresolved conflicts have been identified for this permit action.

**Affected Environment & Impacts of the Proposed Project:**

Y = Impacts may occur (explain under Potential Impacts).

N = Not present or No Impact will likely occur.

IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
1. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are soils present which are fragile, erosive, susceptible to compaction, or unstable? Are there unusual or unstable geologic features? Are there special reclamation considerations?	[N] The facility has received an operating permit through the industrial and energy minerals bureau's coal program. All surface disturbances will be regulated under the operating permit and post reclamation plan. The facility will incorporate run on/run off controls to prevent erosion. As a condition of the MPDES permit, it will require a storm water pollution prevention plan be implemented with one year.
2. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?	[N] No state water is within the facility's boundary. With the development and issuance of the MPDES permit, discharges from the facility will be required to meet numeric limits for iron, total suspended solids, settleable solids and pH. Restricting discharges by the use of standards will protect all current and anticipated beneficial uses. Additional management of storm water runoff will be required through a storm water pollution prevention plan.  Treatment will consist of the use a sediment pond. The pond is sized to contain the 25 yr/24 hr storm event in addition to 300,000 gallons of process wash down water.
3. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?	[Y] The air resources management bureau has analyzed the facility and has issued an air quality permit (3296-00) for the facility.
4. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be significantly impacted? Are any rare plants or cover types present?	[Y] Construction at the facility will disturbed 17 acres of pastureland for the duration of the project. The coal program will require reclamation be conducted once the project is completed. Other facility related construction (power lines), will have short term impact on limited areas. No additional impacts will be realized by the issuance of this permit.
5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?	[Y] No important (winter range, nesting or leks) habitats are known to exist within the 17 acres of disturbance. However the activity at the site will impact mule deer and pronghorn use of the site until the facility has been reclaimed and revegetated. The issuance of the MPDES permit will not cause further loss of habitat or use during the term of the permit.
6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Species of special concern?	[N] One threatened or endangered species is known to be present within the immediate vicinity of the facility. Bald eagles are known to use the area as migration routes and some may use the area as winter range. The location and size of the facility will minimize and impact to this species. No known wetlands will be impacted through this action. Seventeen other species of concern have been identified within the general area, but have not been associated with the facility site. No potential impacts are expected to occur based on this action.
7. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	[N] The proposed facility area was included in a Class III inventory in 2003. One potential archaeological site was noted to be affected by the access road. The road was reconfigured to avoid the site.
8. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?	[N] Access to the facility is via Montana Secondary Highway 314, which supports local traffic. Three homes will have direct line sight to the facility. With the seasonal nature of the operation, some noise and dust may be generated while operating.
9. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? Will new or upgraded powerline or other energy source be	[N] No known impacts are expected in this area.

<b>IMPACTS ON THE PHYSICAL ENVIRONMENT</b>	
needed)	
10. IMPACTS ON OTHER ENVIRONMENTAL RESOURCES: Are there other activities nearby that will affect the project?	[Y] Land use in the surrounding area is agricultural. Grazing and dry land farming is the major uses. The contiguous SCC mine is not expected to affect the proposed facility.

<b>IMPACTS ON THE HUMAN ENVIRONMENT</b>	
<b>RESOURCE</b>	<b>[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES</b>
11. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N] Heavy equipment will be used at the proposed facility. The operator will be required to meet state and federal health and safety requirements.
12. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[ N] Due to the small size of the facility no impacts are expected to the agricultural community. There will be increased activity along the SCC access road and the access road to the facility, but they are not expected to alter the existing use.
13. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	[ N] It is anticipated the facility will add three new positions. These positions will be seasonal.
14. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	[ N] Additional tax revenue is expected to be negligible.
15. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc.) be needed?	[ N] The state and federal agencies will be required to inspect the facility to ensure compliance with permitted activities'.
16. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[ N] The BLM has granted a temporary use permit for a power line right-of-way for the facility.
17. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?	[ N] No known impacts are expected in this area.
18. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	[ N] No known impacts are expected in this area.
19. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[ N] No known impacts are expected in this area.
20. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[ N] No known impacts are expected in this area.
21. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	[ N] No known impacts are expected in this area.

IMPACTS ON THE HUMAN ENVIRONMENT	
RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
22(a). PRIVATE PROPERTY IMPACTS: Are we regulating the use of private property under a regulatory statute adopted pursuant to the police power of the state? (Property management, grants of financial assistance, and the exercise of the power of eminent domain are not within this category.) If not, no further analysis is required.	[ N] No known impacts are expected in this area.
22(b). PRIVATE PROPERTY IMPACTS: Is the agency proposing to deny the application or condition the approval in a way that restricts the use of the regulated person's private property? If not, no further analysis is required.	[ N] No known impacts are expected in this area.
22(c). PRIVATE PROPERTY IMPACTS: If the answer to 21(b) is affirmative, does the agency have legal discretion to impose or not impose the proposed restriction or discretion as to how the restriction will be imposed? If not, no further analysis is required. If so, the agency must determine if there are alternatives that would reduce, minimize or eliminate the restriction on the use of private property, and analyze such alternatives. The agency must disclose the potential costs of identified restrictions.	[N] No known impacts are expected in this area.

23. Description of and Impacts of other Alternatives Considered:

A. No Action: Under the no action alternative the facility would not be constructed or operated. The screening/ processing facility at the SCC mine would continue to operate.

B. Approval with modification: No unresolved issues were identified which would require modification to the WMC application.

C. Approval: The facility would be constructed and operated as per the application received.

24. Summary of Magnitude and Significance of Potential Impacts: By issuing the MPDES permit the magnitude and severity of any impact to the receiving water has been analyzed. All significant impacts have been addressed through the permit process.

25. Cumulative Effects: No other new actions are proposed at this time. SCC is operated contiguously to the south of the proposed facility, but any discharge from that facility reports to different receiving waters. No other industrial or municipal discharges' are known to report to S Fk of Monument Creek.

26. Preferred Action Alternative and Rationale: The bureau recommends approval of this permit action. Approval is based on issuance of the MPDES permit which will protect all current and anticipated beneficial uses of the receiving water.

**Recommendation for Further Environmental Analysis:**

☐ EIS    ☐ More Detailed EA    ☒ No Further Analysis

27. Public Involvement: MPDES permit MT0031411 has been public noticed (MT-06-05) for a 30-day public comment period. Interested parties identified on the Department mailing list have been notified of this comment period. All significant comments will be responded to prior to issuing the final permit.
28. Persons and agencies consulted in the preparation of this analysis:  
Herb Rolfes, Industrial and Energy Minerals Bureau

**EA Checklist Prepared By:**

James Lloyd, March 21, 2006

**Approved By:**

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(Print: name & title)

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Signature

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Date